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EXTRAORDINARY

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PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

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इस भाग में विशेष पृष्ठ संख्या दी जाती है जिससे कि यह धरण संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

CENTRAL BOARD OF DIRECT TAXES

NOTIFICATION

INCOME-TAX

New Delhi, the 23rd September 1968

S.O. 3494.—In exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely :—

1. These rules may be called the Income-tax (Sixth Amendment) Rules, 1968.
2. After rule 30 of the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), the following rule shall be, and shall be deemed always to have been, inserted, namely :—

"30A. Credit or tax deducted at source to a person other than the shareholder in certain circumstances.—(1) Subject to the provisions of sub-rule (2), where the dividend on any share is assessable as the income of a person other than the shareholder, any deduction made in accordance with section 194 and paid to the Central Government, shall be deemed to be a payment of tax on behalf of, and the credit in respect thereof shall be given to, such other person in the circumstances specified below, namely :—

- (1) Where a company has a right to appoint any person or persons, or where any nominee or nominees of the company has or have been appointed, as a director or directors of any other body corporate,

and shares owned by such company in such other body corporate, to an amount not exceeding the nominal value of the shares which are required to be held by a director thereof, are registered in the name of any such person or nominee;

- (ii) where a company owns any shares in its subsidiary and such shares are registered in the name or names of any nominee or nominees of the company, if and in so far as it is necessary so to do, to ensure that the number of members of the subsidiary is not reduced, where it is a public company, below seven, and where it is a private company, below two;
- (iii) where a corporation established by or under a Central, State or Provincial Act owns any shares in a company and such shares are registered in the name or names of any nominee or nominees of the corporation in the circumstances specified in clause (i) or clause (ii);
- (iv) where any person deposits, with any bank, including a co-operative bank or a land mortgage bank, any shares owned by him, for the collection of dividends thereon and such shares are registered in the name of the bank;
- (v) where any person deposits with any other person any shares owned by him, by way of security for the repayment of any loan or the performance of any obligation and such shares are held by, or on behalf of, any of the following, namely:—
 - (a) the Government or the Reserve Bank of India or any body corporate owned by the Government, or the Reserve Bank of India, or in which not less than forty per cent. of the shares are held (whether singly or taken together) by the Government or the Reserve Bank of India or a corporation owned by that bank;
 - (b) a local authority;
 - (c) the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955) or any of its subsidiary banks;
 - (d) any banking company, including a co-operative bank or a land mortgage bank;
 - (e) the Industrial Finance Corporation of India, the Industrial Credit and Investment Corporation of India Ltd., the Madras Industrial and Investment Corporation of India Ltd., and the Refinance Corporation for Industry Ltd.;
- (f) a State Financial Corporation established under the State Financial Corporations Act, 1951 (63 of 1951);
- (g) an Industrial Development Corporation established in India by a State Government;
- (h) the Life Insurance Corporation of India established under the Life Insurance Corporation of India Act, 1956 (31 of 1956);
- (i) the Industrial Development Bank of India, established under the Industrial Development Bank of India Act, 1964 (18 of 1964);
- (vi) where shares are held by a trustee appointed under a trust declared by a duly executed instrument in writing whether testamentary or otherwise [including any wakf deed which is valid under the Mussalman Wakf Validating Act, 1913 (6 of 1913)] and the dividend thereon is received by the trustee on behalf of, or for the benefit of, any person who is a beneficiary of the trust;
- (vii) where the shares owned by a firm are held in the name of any of its partners;
- (viii) where the shares owned by a Hindu undivided family are held in the name of the Karta or any other adult member of the family;

(ix) where the shares have been sold or otherwise transferred by the registered shareholder and action for registering the transfer in the name of the purchaser or other person has been taken in accordance with the provisions of section 108 of the Companies Act, 1956 (1 of 1956);

(x) where the shares owned by a member of a recognised Stock Exchange in India deposited with the Stock Exchange in accordance with the regulations of the Exchange are registered in the name of the trustees of the Exchange or the bankers of the Exchange.

(2) The credit referred to in sub-rule (1) shall not be given unless the person entitled to such credit furnishes to the Income-tax Officer a declaration in Form No. 15B made by him and the shareholder concerned, together with a certificate of deduction of tax at source in Form No. 19."

3 In Appendix II to the principal rules, after Form No. 15A, the following form shall be, and shall be deemed always to have been inserted, namely :-

"FORM NO. 15B

[See rule 30A(2)]

Form of Declaration to be made by the Registered Shareholder and by the person claiming credit where the dividend on the share is assessable as the income of such other person

I/We hereby declare that dividend(s), as per details shown in columns 4 to 7 of the Table hereinbelow, on the share(s), specified in column 3 thereof, registered in my/our name(s)

the name of.....

(name of the bank/company, etc.)

was collected by me/us on behalf of
the bank/company, etc.

....., who is/which is beneficially entitled to receive
(name and address)

the income by way of dividend. Particulars of the tax deducted at source from the dividend(s) mentioned hereinabove, as shown in the certificate of deduction of tax under section 203 issued in my/our name

(name of the bank/company, etc.)

are given in columns 8 to 10 of the Table hereinbelow.

I further declare that I/We
the bank/company, etc.

has/have not claimed any credit under section 199, nor has any credit under that section been allowed to me/us....., for the tax deducted from the
the bank/company, etc.

dividend(s) on these shares.

I/We also undertake that I/We
the bank/company, etc.
shall not claim any credit under section 199 for the tax deducted at source from the dividend(s) on these shares.

Signature of the
shareholder

Date

Address

TABLE GIVING DETAILS OF DIVIDEND SHARES, ETC.

Net amount received

Particulars of certificate of deduction of tax under section 203

II

L2

I/We hereby declare that the dividend(s), as per details shown in columns 4 to 7 of the above Table, on the share(s), specified in column 3 thereof, is/are assessable as my/our income

the income of the.....
(name of the bank/company, etc.)

At the time when the dividend on the above-mentioned share(s) was declared/credited/paid, these shares were registered in the name(s) of.....

(name & address)

and the dividend thereon was collected by the

said on my/our behalf
on behalf of the bank/company, etc.

I/We, therefore, request that for the reasons given hereunder the credit in respect of the tax deducted at source from the dividend mentioned above should be given to me/us

the bank/company, etc.

.....
.....
.....

(Reasons to be stated)

Date

Place

Signature of the person
claiming credit."

[No. 88/F. No. 1(419)/67-TPL.]

V. RAMASWAMI IYER, Secy.

